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Synfuels' Plan To Harvest Peat Is Questionable

Congress is having serious second thoughts about the \$15 billion blank check it gave the U.S. Synthetic Fuels Corp. to develop new sources of energy. After nearly four years of lavish sightseeing and study, the highly paid Synfuels officials have yet to produce an erg of energy from alternative fuels.

Rep. Howard E. Wolpe (D-Mich.) has introduced a bill that would bar further Synfuels grants until Congress has had a chance to sort out the agency's problems. About 100 House members are co-sponsors.

In addition, the House Energy and Commerce Committee is planning moves to curb the Synfuels spendthrifts.

Unfortunately, these good intentions may come too late to save the taxpayers much money. Synfuels is planning to spend at least \$10 billion by the end of the year.

What makes this rush to dole out the billions particularly outrageous is that the corporation has said that it might not submit a comprehensive strategy plan to Congress this year, despite the law requiring one. This means that the lawmakers will have

no control over the kinds of projects Synfuels aids.

It also means that the projects may not get the scrutiny they should have if they are to avoid harm to the environment. Internal Synfuels documents obtained by my associates Corky Johnson and John Dillon provide a shocking example of the agency's apparent indifference to environmental considerations.

The project involves peat mining on North Carolina's coastal wetlands by First Colony, whose partners include CIA Director William J. Casey and other influential Republicans. The peat would be synthesized into methanol gas.

The project will start out as a relatively small pilot plant, which the Synfuels staff says it believes will have little impact on the environment. But the point of Synfuels' \$450 million investment is to create a large-scale commercial operation; and that's a different story.

"[The] site has available land for tenfold expansion of the plant," a staff evaluation points out, "but a great many environmental issues will require resolution." The staff warns of "adverse impacts on local fishing from plant discharges and/or mining runoff."

The wetlands that would be affected by the peat project provide a livelihood for 23,000 commercial fishermen and associated workers.

Noting that the wetlands are "en-

vironmentally sensitive," the staff cited an independent study that warned: "A large-scale peat harvesting operation has the potential for impacting local air quality, water quality and biological systems."

Dust emissions alone from the synthesizing factory could push air quality over the danger level, according to Synfuels staff documents. Expanding the operation as planned could spew unsafe quantities of sulphur dioxide into the air.

In addition, runoff from the peat mining would increase mercury levels in the water and poison the fish, while solid wastes produced by the plant could leak cyanide into the ground water, the staff warned.

Despite the risks, the Army Corps of Engineers and the Environmental Protection Agency, which have jurisdiction over the wetlands, have given First Colony permission to go ahead. Synfuels officials insist that steps will be taken to protect the environment.

The crusher is this: the whole project may be as economically unsound as it is environmentally dangerous. "Significance of peat is limited by environmental factors and by its unpromising economics relative to coal," the Synfuels staff concluded.

The Environmental Policy Center has filed a class-action suit against the First Colony project, naming the EPA and the Army Corps of Engineers as defendants.